

UNITED STATES DISTRICT COURT FOR THE
NORTHERN DISTRICT OF OHIO
EASTERN DIVISION

UNITED STATES OF AMERICA)	Filed: March 28, 2000
)	
v.)	Criminal No.: 1:00 CR 130
)	
BAY METAL, INC.,)	15 U.S.C. § 1
)	
Defendant.)	

INFORMATION

The United States of America, acting through its attorneys, charges:

I

DESCRIPTION OF THE OFFENSE

1. BAY METAL, INC., is made a defendant on the charge stated below.
2. Beginning at least as early as 1992 and continuing until at least early 1999, the exact dates being unknown to the United States, the defendant and co-conspirators entered into and engaged in a combination and conspiracy to suppress and eliminate competition by allocating suppliers and rigging bids in the purchase of solid ferrous and nonferrous scrap metal in the Cleveland-Akron (Ohio) "CMSA" (consolidated metropolitan statistical area established by the OMB, effective June 30, 1999, which consists of the counties of Cuyahoga, Lorain, Ashtabula, Geauga, Medina, Summit, Lake, and Portage) and the Canton-Massillon (Ohio) "MSA" (metropolitan statistical area established by the OMB, effective June 30, 1999, which consists of the counties of Stark and Carroll). The charged combination and conspiracy unreasonably restrained interstate trade and commerce in violation

of Section 1 of the Sherman Act (15 U.S.C. § 1).

3. The combination and conspiracy consisted of a continuing agreement, understanding, and concert of action among the defendant and co-conspirators, the substantial terms of which were to allocate suppliers and rig bids in the purchase of solid ferrous and nonferrous scrap metal in the Cleveland-Akron (Ohio) CMSA and Canton-Massillon (Ohio) MSA areas.

II

MEANS AND METHODS OF THE CONSPIRACY

4. For the purpose of forming and carrying out the charged combination and conspiracy, the defendant and co-conspirators did the following things, among others:

- (a) participated in meetings and conversations to discuss allocating (i.e., dividing up) suppliers of solid ferrous and nonferrous scrap metal among themselves;
- (b) agreed, during such meetings and conversations, to allocate suppliers and not to compete against each other in the purchase of solid ferrous and nonferrous scrap metal;
- (c) allocated, pursuant to such meetings and conversations, suppliers of ferrous and nonferrous scrap metal among themselves, denying such suppliers a competitive price;
- (d) participated in meetings and conversations to discuss the submission of prospective bids for contracts to purchase solid

ferrous and nonferrous scrap metal from particular suppliers;

- (e) agreed, during such meetings and conversations, which designated co-conspirator would purchase solid ferrous and nonferrous scrap metal from particular suppliers;
- (f) agreed, during such meetings and conversations, on the prices to be submitted for contracts to purchase solid ferrous and nonferrous scrap metal from particular suppliers; and
- (g) refrained from bidding, or submitted intentionally low, complementary and non-competitive bids, for certain contracts to purchase solid ferrous and nonferrous scrap metal, denying such suppliers a competitive price.

III

DEFENDANT AND CO-CONSPIRATORS

5. The defendant is a corporation organized and existing under the laws of the State of Ohio, with its principal place of business in Richfield, Ohio. The defendant is engaged in the purchase of solid ferrous and nonferrous scrap metal, primarily in Northeast Ohio, including in the Cleveland-Akron (Ohio) CMSA and Canton-Massillon (Ohio) MSA areas. The defendant also purchases solid ferrous and nonferrous scrap metal from suppliers located outside the State of Ohio. The defendant purchases the scrap for resale to customers such as mills and foundries, sometimes processing or re-manufacturing the scrap to fit a particular customer's specifications. The defendant sells the scrap it purchases to customers located both

inside and outside the State of Ohio. At all times relevant to this Information, the defendant did business in the Cleveland-Akron (Ohio) CMSA and Canton-Massillon (Ohio) MSA areas, purchasing and selling solid ferrous and nonferrous scrap metal for resale.

6. Various individuals and corporations, not made defendants in this Information, participated as co-conspirators in the charged combination and conspiracy and performed acts and made statements in furtherance of it.

7. Whenever this Information refers to any act, deed, or transaction of any corporation, it means that the corporation engaged in the act, deed, or transaction by or through its officers, directors, employees, agents, or other representatives while they were actively engaged in the management, direction, control, or transaction of its business or affairs.

IV

TRADE AND COMMERCE

8. Solid ferrous and nonferrous scrap metal is a residual product that has value. Typically, mills and foundries generate solid ferrous and/or nonferrous scrap metal as a by-product. In the scrap metal industry, this type of scrap is generally referred to as industrial scrap. For example, tool and die makers or stamping plants end up with small or odd-shaped pieces of scrap that are a by-product of their manufacturing process. However, this scrap is still valuable if picked up, sorted, and sold to mills or foundries that desire scrap metal as part of their manufacturing process. The business of scrap metal companies, such as the defendant and its co-

conspirators, generally involves placing steel collection boxes at manufacturers' sites to collect residual scrap, picking up the residual scrap, processing the residual scrap, and reselling the scrap to customers.

9. During the period covered by this Information, the defendant and co-conspirators (1) purchased solid ferrous and nonferrous scrap metal from individuals and companies located in and outside the State of Ohio; (2) sold or shipped solid ferrous and nonferrous scrap metal to individuals and companies located in and outside the State of Ohio; and (3) caused solid ferrous and nonferrous scrap metal to be purchased by, or sold or shipped to, individuals and companies located in and outside the State of Ohio. This solid ferrous and nonferrous scrap metal was shipped across state lines in a continuous and uninterrupted flow of interstate commerce from its places of manufacture to locations in and outside the State of Ohio.

10. The activities of the defendant and co-conspirators that are the subject of this Information were within the flow of, and substantially affected, interstate trade and commerce.

JURISDICTION AND VENUE

11. The combination and conspiracy charged in this Information was carried out, in part, within the Northern District of Ohio within the five years preceding the filing of this Information.

ALL IN VIOLATION OF TITLE 15, UNITED STATES CODE, SECTION 1.

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